

ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL

Minutes-January 19, 2010

Executive Dining Room, Ground Floor, DOA

Call to Order

Chairman Ryan called the meeting to order at 3:50 PM

Members Present: Paul Ryan, Chris Powell, Joe Newsome, Ken Payne, Joe Cirillo, and Sam Krasnow

Staff Present: Charles Hawkins and Matt Guglielmetti

Consultants: Scudder Parker and Mike Guerard

Others Present: Karina Lutz, Tom Teehan and Jeremy Newberger

Acceptance of Minutes: A motion was made by Joe Newsome to accept the December meeting minutes as presented, Joe Cirillo seconded and it passed unanimously.

Executive Director's Report and ARRA Update

All ARRA programs are moving forward.

- **A successful workshop on EECBG was held on 1/13 and LOIs are**

due from municipalities by 1/22 with applications for planning assistance due on 1/29.

- Draft regs on SEP C&I will be complete by the end of the month.
- Applications are being accepted for the Non-Utility Scale Renewable Energy Program.
- The MOU on SEP Utility Scale Renewables with the Governor's office and EDC and the OER should be done by the end of the month.
- \$12 million has been committed to the CAPs for weatherization and they can now enter into contracts with their vendors. A MOU to transfer \$6 million to RI Housing to weatherize large complexes is being executed.

A discussion then ensued about Ken P.'s new role as Administrator of the OER and Larry Kunkel's role as energy advisor to the governor.

It was explained that Ken P. reports to Acting Commissioner Ron Renaud who needs to sign off on any rule making activity.

NEW BUSINESS

Report on Work Plan Sub-Committee Meeting

Emphasis was placed on the demanding nature of 2010 in planning for future LCP with the DSM expiring on 1/1/13. By March 2011 the EERMC needs to make recommendations to both the PUC and the Assembly about the future of LCP.

Sam K. gave a report on the Work Plan Subcommittee Meeting that

was held prior to the council meeting. A one-pager was circulated that gave the major tasks before the Council in 2010. (Attachment #1) During that meeting, Joe N. suggested, and others in attendance agreed, that the Council convene an educational seminar in the near future to educate both the council and the public on energy supply and use in RI. Joe C. liked the idea and suggested URI's Alton Jones Campus as a possible site because it would be a more comfortable setting for the general public than the DOA.

It was also decided that the Annual Report to the Assembly due in April be a vibrant document that tells a story and sets the stage for 2011.

Discussion and Vote on 2010 EERMC Work Plan

Paul R. said that the idea was to vote on a brief summary type work plan and that the consultant job description for the RFP will be more detailed. Ken P. said the outline work plan reflects the Council's statutory requirements and also what is going on in the outside world. Chris P. commented that the EERMC needs a pro-active long term work plan. He wanted the work plan to include the following "to identify and report on alternative methods of delivering and financing optimum energy efficiency and assist in developing future programs for RI".

A motion was made to adopt the draft work plan developed by the

OER with the additional of the above comment by Chris P. It was seconded and passed unanimously.

A discussion ensued about whether VEIC should provide quarterly or monthly reports. It was decided that quarterly reports made more sense. Action item: to have VEIC have a Quarterly Work Plan to present at the February EERMC. meeting. The budget and the impact of the DSM settlement rejection was then discussed.

The OER recognized the need for the council to have better financial reporting and have hired auditors, who can better provide the Council with this administrative support in this area. OER has also hired an environmental engineer with an expertise in air quality who can help with environmental metrics. Legal council has also been added. The OER hours on the second work sheet reflect the work time necessary to provide the administrative support needed to implement the work plan. Jeremy N. mentioned that the Council had spent more then was budgeted in 2009. Bills from the 2008 KEMA Opportunity Report were cited. Sam K. mentioned a conference call meeting on Thursday on delays to Phase 2 of the Opportunity Report.

PUC Rejection of 2010 DSM Settlement

The PUC rejected the settlement submitted on November 2, 2009. Paul R.'s understanding is that when a settlement is rejected it has to

be appealed to the Supreme Court within 10 days or it is dead. Tom T. said that the PUC did not reject the settlement as much as they rejected the increase in the DSM with other potential funding sources like RGGI & ARRA available. They want NGrid to come back on 2/1 with a different plan.

NGrid will propose a two part plan. Plan A. with funding that currently exists and Plan B. that includes the 40% RGGI funding pot for innovative projects. Plan A results in cuts of about 15%. There is about \$4.4M available in RGGI pot and to access it NGrid has to submit a plan to the OER who will then consult with DEM and the EERMC. A public hearing is not required. This plan must adhere to the criteria of RGGI. Plan B. will allow NGrid to achieve its savings goal.

Chris P. asked about timing. He is worried about the process to put plan in place. It could be July 1 before the RGGI plan is Ok'd and you are already half way through the year. A discussion ensued about the DSM and funding LCP. Sam K. suggested a cover letter to the PUC upon the submission of plan that cites concerns about the future of LCP especially with the possible phasing out of the DSM. Ken P. said there was a statutory expectation that the council would do these types of things. Until 2013 the PUC is mandated to have an SBC, after that the PUC could decide on its own to maintain the DSM. It is a discretionary on PUC's part. It was emphasized that it is essential to constantly upgrade LCP efforts. Chris P. feels that the council should

be providing the strategy to the PUC on how RI can reach LCP. NGrid has a teleconference with the DSM Sub-Committee scheduled. Jeremy questioned whether the EERMC should vote on plan before subcommittee officially writes off on it. Sam K. said the sense of the meeting was to support the two tiered approach.

Sam K. thought the best route would to submit one plan with two scenarios. Paul R. asked if NGrid had ever submitted a similar plan to the PUC. Jeremy N. said this would be the first time. Ken P. suggested a single integrated submission that has overall goals intact. Within that submission there would be two tiers of activities; Plan A without RGGI, and a second tier necessary to achieve the goals Version B. with the RGGI 40%.

Joe N. asked about the impact of a delay until November. Jeremy N. said that the company could run a deficit. He did cite uncertainty about the OER approving NGrid's RGGI plan. Paul R. asked if potential applications for RGGI pilot funding will battle over the plan. Scudder noted that innovation pilot projects are not always cost effective.

Paul R. asked for a motion to adopt Ken P.'s above recommendation. Sam K. presented the following motion: The Council support NGrid's submission of a single integrated refiled program plan for 2010 where the overall savings goals for the second year at met and contains two different tiers of activities. The motion was seconded and passed

unanimously.

Brief for PUC Decoupling Filing

Paul R. asked members if they were comfortable with the brief prepared by council Attorney Dan Prentiss. Chris P. thought more information about ratepayer impact was needed and cited his concerns at previous meetings and at the 1/5/09 work session. Sam K. wanted to authorize any members who are interested to work on the final drafting of the reply brief and comment on it before the deadline on Friday. Paul R. said it would be appropriate for the Council to authorize him as the Chairman to approve all changes that are made to the final filing. Joe N. asked if the council approves the brief what can be done to get a greater understanding from NGrid about what it all means.

Sam K. thought that one of the things that the brief counsel do better is to articulate that NGrid's plan has four elements and only one of those elements "the true-up" really concerns the council. The second thing would be to present a little of the history of the dialogue with NGrid including the technical session and the questions that were posed as a result of that session. Those questions are reflective of the concerns of the council. The third piece would be to cull out the back-up rates a little more.

Sam K. made the following motion; members would continue to work

together to get a final product and authorize the Chair to submit it by the deadline on Friday. Joe N. seconded the motion and it passed unanimously.

OER Scope of Work on Low Income Weatherization

Ken P. gave an update on ARRA weatherization. He cited a constructive meeting between NGrid and the OER about integrating the 5 Weatherization revenue streams into a coherent overall purpose. He also brought up a new Weekly WAP Tracing Plan that the OER was initiating. He then briefly described the differences between the 5 revenue streams.

OER does not want households to have to sort through all these programs. The goal is to have a program where everyone is treated fairly and the results are quantifiable. Joe C. asked for a description of the five WAP funding sources.

NEW BUSINESS (There was none)

PUBLIC COMMENT (There was none)

AJOURNEMENT

A motion was made to adjourn the meeting it was seconded and passed unanimously.

Respectfully submitted

Charles Hawkins

Secretary Pro-tempore